

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

IN RE: : CHAPTER 11
THE KRYSTAL COMPANY, et al.¹ : CASE NO. 20-61065-PWB
Debtor. : (Jointly Administered)

**OBJECTION OF 182 EMERSON, LLC
TO DEBTORS' NOTICE TO CONTRACT PARTIES TO POTENTIALLY ASSUMED
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

COMES NOW 182 Emerson, LLC (the "**Landlord**") and files this objection to the Debtors' Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases [Doc. 310] (the "**Cure Notice**"), respectfully showing the Court as follows:

1. The Landlord and Debtor, The Krystal Company (the "**Debtor**") are parties to that certain a ground lease as modified by the First Amendment to Lease dated September 5, 2018 (collectively "**Lease**"), in regards to property located at 475 Schillinger Rd, Mobile, AL, which houses a restaurant known as Krystal (the "**Property**").
2. On July 3, 2019, 182 Emerson, LLC purchased the property and assumed the Lease.
3. In the Cure Notice, the Debtors contend that \$27,624.99 is the amount of unpaid monetary defaults under the Lease which the Debtor is required to cure in order to assume and/or assign the Lease pursuant to 11 U.S.C. § 365.
4. The Landlord objects to the cure amount listed by the Debtors, and the Landlord asserts the correct amount of cure costs totals **\$34,564.46²** as of May 10, 2020 (excluding rent that may come due between today and that date), plus all future rent, late charges, legal fees and other sums which accrue after that date and are not paid (the "**Cure Amount**"). The amount specified above includes post-petition rent for April 2020, which has not been paid, and the Landlord reserves the right to amend the Cure Amount for future unpaid amounts under the Lease, if any.
5. In addition, the Debtor is responsible for maintaining insurance on the Property. If the Debtor fails to renew the policy or obtain a replacement policy, the Landlord will have no

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number include: The Krystal Company (4140); Krystal Holdings Inc (5381); and k-Square Acquisition Co, LLC (8916). The location of the Debtors' corporate headquarters and service address is: 1455 Lincoln Parkway, Ste 600, Dunwoody, GA 3034

² The Cure Amount specified above includes unpaid prepetition rent of \$9415.55 (includes late fee of \$25 and interest through May 10, 2020 of \$182.25) for Dec 2019, \$9379.13 (includes late fee of \$25 and interest through May 10, 2020 of \$145.80) for January 2020, postpetition rent of \$9,269.78 (includes late fee of \$25 and interest through May 10, 2020 of \$36.45) for April 2020, and attorneys' fees of \$6,500.00.

choice other than to obtain replacement insurance and increase the Cure Amount accordingly.

6. Further, the Debtor has not disclosed any information about the proposed purchaser and assignee of the Lease. Accordingly, the Landlord reserves all rights with respect to adequate assurances of the assignee's performance.

WHEREFORE, the Landlord respectfully requests that any order entered by the Court respecting cure costs provide that the amount of the cure costs related to the Lease is the Cure Amount asserted by the Landlord herein, as such amount may be amended or supplemented by the Landlord, if necessary.

Dated: April 27, 2020

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CERTIFICATE OF SERVICE

This is to certify that I have on this day electronically filed the foregoing *Objection to Proposed Cure Amount* using the Bankruptcy Court's Electronic Case Filing program, which sends a notice of and an accompanying link to this document to the following parties who have appeared in this case under the Bankruptcy Court's Electronic Case Filing Program:

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